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NSC BRIEFING

24 September 1954

CURRENT SITUATION - CHINESE OFFSHORE ISLANDS

- I. Continuing Communist threat to the Quemoys.
 - A. Chinese Communist artillery opened up on both Quemoys on the evening of 22 September and fired an estimated 3,600 rounds at selected Nationalist targets.
 - B. The 22 September attack followed almost three weeks of reduced and sporadic shelling. Whereas some 6,000 rounds had been fired on the Quemoys in the first large attack on 3 September, until 22 September the shelling had averaged only 100 to 200 rounds per day.
 - C. Communist propaganda, following the movement of US naval and air forces into the Quemoy area on 5 September, had treated Quemoy incident as a completed phase of a long-range operation, suggesting a willingness to allow the incident to subside for time being.
 - D. Renewed Communist shelling of Quemoys on 22
 September may be in response to continued
 Nationalist air and naval strikes on Amoy area,
 and may presage a more aggressive Communist

defense of Amoy area, including use of air nower Approved For Release 2001/08/16: CIA-RDP79R00890A000400010012-9



- E. There are no signs, however, that Chinese Communist land and naval forces are being concentrated in Amoy area for invasion of Quemoys. An invasion force could be assembled quickly, as Communist strength within 150 miles of Amoy is still believed to be 150,000 to 200,000 troops.
- F. Communist planes have not been used either to defend against Nationalist attacks or to take part in offensive operations.

 There is still no evidence that air units are being moved closer to the Quemoys.
- G. There is still some possibility of a Communist air and amphibious attack on the Quemoys, particularly if US forces in the area were to be withdrawn.
- H. As a face-saving alternative, the Communists might soon attack Tatan and Erhtan (Big Egg and Little Egg), two tiny islands, lightly held by the Nationalists, about three miles southwest of Little Quemoy. Capture of these islands would enable Peiping to boast of "victories," but would be of little value for future operations against the Quemoys.

- II. Continuing Nationalist operations in Quemoy area.
 - A. Despite reduced fears of Communist invasion,
 Mationalists alert to possibility. Formosabased aircraft and naval vessels still patrol
 areas along Fukien and Chekiang coasts for
 signs of troop and naval concentrations endangering Quemoys. Bombing of mainland targets
 has tapered off since 12 September, but Communist artillery nests and shipping in Amoy waters
 still being attacked sporadically.
 - B. Quemoy artillery, recently reinforced from Formosa, has permitted counter-fire on Communist artillery not previously within range of Nationalist guns. Additional tanks soon to be sent from Formosa, and US-trained underwater demolition teams have arrived on Quemoy to begin raids on mainland.
 - C. Nationalists reported to be planning raid against mainland, in brigade strength, sometime after 30 September. This report may reflect mothing more than plans for aggressive combat patrolling to gather intelligence. It could, however, indicate Nationalist plans for larger operation, intended to provoke Communist counter-action and involve US forces.

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III. Renewed Communist threat to Tachens.

- A. Concentration of 10-12 Communist naval landing craft, three patrol vessels, 10 inland river merchant ships and about 250 junks spotted at Haimen, about 25 miles northwest of Tachens, on 13 September. Haimen not normally used as a maval base, appearance of shipping there on this scale is unusual. Could indicate Communist plan to assemble force for invasion of Tachens.
- B. Two days after Haimen concentration observed,
 Communist artillery on Toumen Island, one of
 six small islands within 20 miles of Tachens
 taken in May, fired 32 rounds at Ichiang
 Island. Ichiang, held by perhaps 850
 Wationalist guerrillas, is about nine miles
 northwest of Tachens.
- C. Aggressive defensive patrolling of area between Mingpo and the Tachens continues, carried out by Communist MIG's and LA piston fighters from Shanghai complex. Air strength from this complex is sufficient to gain air superiority over Tachens and would simplify amphibious operation against islands.

- IV. Communist capabilities against Tachens.
 - A. Lift capacity of shipping now at Haimen not clear, but amount of shipping necessary to transport two divisions (about 30,000 troops) -- believed enough to take Tachens--could be assembled at Haimen and elsewhere along coast in short time and with little warning.
 - B. Weather conditions expected to worsen with arrival of winter monsoons within next few weeks, might deter Communists from making attack. If so, Communist operations against Tachens will probably consist of harassing artillery fire against the small guerrilla-held outlying islands and occasional air raids over entire Tachen group. Weather clears in April.
- V. Nationalists alert to this threat against Tachens.
 - A. Nationalists have intensified air and sea reconnaissance of coastal waters near Tachens, have ordered supplies to Tachens increased.
 - B. Strength on the Tachens still includes about 10,000 regulars; guerrilla forces now reported at about 7.500.